

INVITATION FOR OFFER – MMS ROYALTY IN KIND GAS
IFO No: MMS-RIK-2003-GOMR-001
November 2002 – March 2003/October 2003

Introduction

The Minerals Management Service (MMS) of the U.S. Department of the Interior is requesting written offers to purchase royalty gas produced from Federal leases in the Gulf of Mexico. Production is delivered into the eight offshore pipeline systems identified below. The details of each pipeline sale are presented in the eight attachments to this Invitation for Offer (IFO).

This sale is for a five or twelve month term beginning November 1, 2002. The successful offeror (buyer) will take custody of the royalty gas at offshore receipt points and will schedule and nominate the gas at and downstream of these receipt points.

You must submit a written offer via facsimile (fax no. 303-231-3846) **by 11:00 a.m. Central Time on October 9, 2002**. We will award the offers by 3:00 p.m. Central Time on October 10, 2002. You may call Mike DeBerard at 303-231-3884 or Karen Bigelow at 303-231-3890 with questions about this IFO.

<u>Att. No.</u>	<u>Page No.</u>	<u>Pipeline System</u>	<u>Est. Daily Volume</u>	<u>Number of Receipt Pnts</u>	<u>Preferred Index(s)</u>
1	7	ANR Nearshore	13,750	7	ANR
2	9	Blessing, TX	34,000	3	Houston Ship Channel (HSC)
3	11	Columbia Gulf - Bluewater	23,400	11	Columbia
4	13	CTGS (Central Texas Gath. System)	26,375 *	19	Tennessee, Transco
5	15	Garden Banks	82,000	4	Florida Gas Trans. (FGT)
6	17	HIOS (High Island Offshore System)	47,750 *	34	ANR, FGT, NGPL, Tenn., Henry Hub
7	20	MOPS (Matagorda Offshore Pipeline)	17,625	15	FGT, HSC
8	22	NHIS (North High Island System)	<u>37,800</u>	9	Transco
Total			<u>272,700</u>		

* CTGS and HIOS are split into sub-packages – see Attachments 4 and 6.

Offers

Offerors must be pre-qualified to submit bids. See the Pre-Qualification and Credit Requirements section. By submission of an offer, the offeror agrees to be bound to the terms and conditions of its' Gas Industry Standards Board (GISB) contract with MMS and this IFO.

Each attachment contains a package (or packages) of gas consisting of a baseload and a swing component. For the baseload gas, you must offer using an appropriate Inside FERC first-of-month price. For the swing gas, you must offer using an appropriate Gas Daily daily midpoint price. You must offer on both the baseload and swing components because the buyer will take the entire package.

Each attachment contains two exhibits. Exhibit A is the offer sheet. Your offer should include an increment or decrement in relation to an applicable index price. If your proposal has a transportation cost, then:

- Quantify the transportation and fuel deductions
- Indicate if your transportation cost is a pipeline tariff
- Indicate if your transportation cost will change if the tariff changes.

Exhibit B identifies the Gulf of Mexico Federal properties involved in this offer and MMS' most recent estimate of the Federal royalty share of production. MMS does not warrant the accuracy of any information in the exhibits.

You may submit a multi-pipeline package where the award is contingent on winning all the packages included in your offer. You must meet our financial qualifications for the full volume you wish to purchase. Indicate your priority of acceptance for a multi-package deal in a cover sheet with your offers.

Offers for either or both a five or twelve month term are acceptable. Place your offer(s) in the appropriate offer sheet column in Exhibit A of each attached pipeline package.

Consideration of Offers

MMS may award a contract on the basis of initial offer(s) received without discussions. Accordingly, each initial offer should be submitted on the most favorable terms that the offeror could submit. However, MMS may negotiate with offerors in the event offers of similar or unanticipated value are received.

The MMS shall award a Contract resulting from this IFO to the offeror whose offer, in MMS' judgement, is most advantageous to the Federal Government. MMS will award to the buyer by means of a Natural Gas Purchase Confirmation Notice.

Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except; (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to implement any transaction as described below in the Transportation and Scheduling of Royalty Gas section, or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index.

Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

Governing Contract

This transaction is governed by the GISB contract signed between the purchaser and MMS. The provisions in this IFO are a condition of your purchase and are supplemental to the GISB contract. Conflicts between the GISB contract and this IFO shall be resolved in favor of the IFO.

Term

Initial deliveries of royalty gas to the buyer will commence November 1, 2002. The royalty gas delivery period will be for a term of five months ending March 31, 2003, or twelve months ending October 31, 2003, depending on the value of offers received, unless either party terminates the transaction.

The reasons for which MMS may declare an early termination may be, but are not limited to:

- (1) The failure to pay, when due, any payment required under this agreement, if such failure is not remedied within five (5) business days after written notice of such failure, provided that the payment is not the subject of a good faith dispute and the buyer pays MMS such amounts as it concedes to be correct;
- (2) Any representation or warranty which is proven to have been false or misleading in any material respect when made or deemed to be repeated;
- (3) The failure to provide adequate financial assurances to MMS as specified under the Pre-Qualification and Credit Requirements section.

Delivery Points

Except as noted below for the Blessing, TX package, delivery points for royalty gas from the properties listed in Exhibit B are various offshore points, as follows:

- For properties directly connected to the primary pipeline system identified for each package, the delivery point is the royalty meter at the platform.
- For properties connected to the primary pipeline system identified for each package by producer lateral lines, the delivery point is the downstream terminus of the producer lateral.
- For properties connected to the primary pipeline system identified for each package by common carrier lateral lines, the delivery point is the royalty meter at the platform or, if there is a producer lateral line between the platform meter and common carrier lateral, the delivery point is the point where the producer lateral connects to the common carrier lateral.

The buyer must contract with the common carrier lateral line operators for transportation over the lateral lines. MMS will reimburse the buyer for demonstrated and reasonable costs for lateral line transportation.

The delivery point for Blessing, TX gas is the various interstate and intrastate pipeline interconnects at the tailgate of the Matagorda gas plant (Shoreline Seagull System).

Transportation and Scheduling of Royalty Gas

The buyer agrees to take 100 percent of the royalty gas delivered at the delivery point for the entire contract period. The lease operators will use reasonable efforts, consistent with industry practice, to inform the buyer regarding significant changes in gas production levels and production shut-ins. The buyer, through customary industry practice set forth by GISB and the Council of Petroleum Accountants Societies (COPAS) in nominating and scheduling transportation services, will communicate directly with the lease operators and make arrangements for the delivery and transfer of royalty gas from the properties in each Exhibit B. The buyer, at its expense, shall make all necessary arrangements to receive delivery of royalty gas at the delivery point. The buyer is not responsible for costs of transportation upstream of the delivery point.

No later than 8 calendar days before the first day of each month, the lease operators will notify the buyer of the daily royalty gas volumes and qualities anticipated for the following month of production. The buyer understands that any such estimate is not a warranty of actual deliveries to be made but is provided to facilitate planning of delivery of royalty gas. This will continue for each month of the royalty gas delivery period. Production decreases during the term of this agreement may reduce the volume of gas to a level that impinges on the baseload volume. It is the buyers' responsibility to contact MMS and renegotiate new baseload and swing volume ratios in this situation.

Imbalances in the delivery of royalty gas to the buyer will be monitored and jointly resolved by MMS and the lease operator by adjustments in the volume of royalty gas delivered to the buyer in subsequent months. These adjustments will be reflected in communications from the lease operator to the buyer regarding the first of month availability of royalty gas. Certain extraordinary and residual imbalances between operators and MMS may be cashed out based on our buyer's accepted prices.

MMS must be able to track the royalty volumes that are nominated and allocated (delivered) via electronic bulletin boards. Royalty gas, therefore, must be moved as a distinct entity under a business party number unique to MMS. MMS will work with you and the pipeline to establish MMS as a read-only producer or upstream entity.

Processing Rights

MMS reserves the right to process, or cause to be processed by others, all royalty gas for recovery of liquefiable hydrocarbons (and inert gases) other than methane. This includes such methane as cannot be separated from the ethane and heavier hydrocarbons separated or extracted from the gas under normal operation of conventional type separation and processing facilities.

In cases where MMS elects to process gas, the buyer will schedule our associated Plant Thermal Reduction (PTR) volumes, where necessary. The volume of gas available for sale will decrease by this PTR volume.

MMS will also entertain offers to purchase our processing rights. Please indicate on your offer sheet if your offer includes the rights to processing. All requirements to process under pipeline operational flow orders; Btu restrictions; dew point restrictions, etc. will be the responsibility of the buyer if MMS awards the processing rights.

Financial Keep Whole

Notwithstanding your signed GISB contract, if on any day the quantity of gas scheduled hereunder is less than, at a minimum, a quantity of gas equal to the baseload volume, the "Baseload Deficiency Quantity" shall be the numerical difference between the baseload volume and the amount of gas scheduled, and the Parties shall pay the following:

- (1) If the "Daily Midpoint" price set forth in Gas Daily, or successor publication, in the column "Daily Price Survey" under the listing applicable to the geographic location agreed pursuant to the Transaction for the relevant day is greater than the Contract Price for the baseload volume, then MMS shall pay offeror an amount equal to (i) the Baseload Deficiency Quantity, multiplied by (ii) the difference between (a) the "Daily Midpoint" price set forth in Gas Daily, or successor publication, in the column "Daily Price Survey" under the listing applicable to the geographic location agreed pursuant to the Transaction for the relevant day and (b) the Contract Price for the baseload volume.
- (2) If the "Daily Midpoint" price set forth in Gas Daily, or successor publication, in the column "Daily Price Survey" under the listing applicable to the geographic location agreed pursuant to the Transaction for the relevant day is less than the Contract Price for the baseload volume, offeror shall pay MMS an amount equal to (i) the Baseload Deficiency Quantity, multiplied by (ii) the difference between (a) the Contract Price for the baseload volume and (b) the "Daily Midpoint" price set forth in Gas Daily or successor publication, in the column "Daily Price Survey" under the listing applicable to the geographic location agreed pursuant to the Transaction for the relevant day.

"Baseload volume" shall mean a quantity of gas equal to the MMBtu/d designated in the attachments to this IFO or such quantity of gas designated as the baseload volume at the first of the month nomination.

Pre-Qualification and Credit Requirements

Offerors are required to pre-qualify by signing the base GISB contract and providing detailed financial information. Please visit our website at <http://www.mrm.mms.gov/rikweb/prequal.htm> for pre-qualification information. Upon pre-qualification, MMS will issue an amount of unsecured credit based on the creditworthiness of the offeror. In most cases, offerors that have previously submitted financial documentation for Calendar year 2001 will not need to resubmit, and approved unsecured lines of credit are still valid. However, MMS reserves the right to request updated financial information in any situation it deems as reasonable and may reissue or suspend approved lines of credit. Please be advised that MMS requires a parent guaranty in situations where the offeror company is a different entity than the company that has pre-qualified.

For awards exceeding the amount of credit issued by MMS or in situations where MMS has suspended the approved line of credit, buyers will be required to provide secured financial assurance in the form of an Irrevocable Letter of Credit (ILOC), Bond, or other MMS-acceptable surety instrument. The surety instrument must be provided within 5 business days prior to the first delivery of the natural gas under the contract. If additional security is required, buyers will be notified, and such notice will be included in the Natural Gas Purchase Confirmation Notice. The ILOC, Bond, or other MMS-acceptable surety instrument must be effective for a period beginning on the date of first delivery under the contract and ending when payment for final month of delivery is verified.

The financial assurance amount shall be sufficient to cover the value of 60 days of deliveries of the estimated production of all royalty gas awarded, less the amount of credit issued by the MMS. The value of the financial assurance should be calculated as a price/MMBtu using the baseload offer value and the applicable October 1, 2002, first-of-month price, multiplied by the daily production for both the baseload and swing volumes (estimated in Exhibit A), multiplied by 60 days, less the amount of unsecured credit issued by MMS.

Please submit the calculated amount of financial assurance to Larry Cobb of the RIK Office via facsimile at 303-231-3846 for verification before the application is made for an ILOC or Bond. Failure to provide adequate financial assurance when requested may result in a loss of award unless the Contracting Officer for the MMS extends the date.

Significant and sustained increases in the value of royalty gas during the term of the contract may result in the requirement to increase the amount of financial assurance. Further, should the creditworthiness, financial responsibility, or ability to perform become unsatisfactory to the MMS at any time during the term of this agreement, satisfactory assurances may be required as a condition to further performance under the agreement. Such assurances include, but are not limited to, a prepayment or an ILOC in a form and amount satisfactory to MMS. An investment-grade rating by Standard and Poor's is required by MMS to maintain creditworthiness.

The financial institution issuing the ILOC or surety company issuing the Bond must meet MMS requirements under 30 CFR Part 208.11. A sample of the ILOC or Bond can be found at <http://www.mrm.mms.gov/ReportingServices/Forms/RIK.htm>. Please contact Larry Cobb at 303-231-3307 if you have any questions regarding pre-qualification or credit.

Liquidated Damages

MMS will remarket the gas in the event an early contract termination occurs. MMS will collect from the terminated party an amount equal to the positive difference, if any, between the contract price less the price at which MMS is able to remarket the gas not purchased, using commercially reasonable efforts in an arm's-length transaction. This provision does not preclude MMS from enforcing any liquidated damages specified in the signed GISB contract.

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the information being collected under this solicitation is necessary to document fulfillment of royalty obligations and sales of minerals from leases on Federal lands. We will use this information to evaluate offers on sales of royalty production. The estimated burden to report is approximately one hour each for a offer document, letter of credit or bond, or financial statement or pre-qualification document. Suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N.W., Washington, D.C. 20240. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and the Departmental Regulations (43 CFR 2). Storage of such information and access to it are controlled by strict security measures. An agency may not conduct or sponsor and a person is not required to respond to, a collection of information unless it displays a currently valid OMB number.

8 Attachments

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 1
Exhibit A

MMS Contacts:

Karen Bigelow	303-231-3890
Mike DeBerard	303-231-3884
Fax No.:	303-231-3846

ANR Nearshore - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	ANR Transportation <u>2/</u>
ANR Nearshore	10,000	Base			- not applicable -
ANR Nearshore	3,750	Swing			- not applicable -

1/ Baseload gas is offered at Inside FERC: ANR (La)
Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; ANR (La)

2/ No transport cost to ANR SE pool.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

ANR Nearshore

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March/October 2003

Attachment 1

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area	Block	Operator	Lateral Line
WC 165 A	165W1	800	055-000758-0 054-004397-0	WC WC	165 291	Devon Energy Devon Energy	
WC 182 A	182W1	2,000	054-015062-0	WC	182	Seneca Resources	
WC 205 A	205W1	4,100	054-002832-0 054-003496-0	WC WC	205 206	Forest Oil Corp. Devon Energy	
WC 238 A	238W1	2,250	054-002834-0 054-003499-0 054-009408-0	WC WC WC	238 249 248	J.M. Huber J.M. Huber J.M. Huber	
subtotal		9,150					

• Texas Gas Transmission Nominated Properties

HI 167 A		200	054-006200-0	HI	166	EOG Resources Inc.	Texas Gas	<u>2/</u>
• receipt pt	9383		054-022247-0	HI	167	Spinnaker Exploration		
• delivery pt	9331							
WC 294 A		3,300	054-006581-0	WC	292	BP Energy	Texas Gas	<u>2/</u>
• receipt pt	2838		891-020255-0	WC	293	BP Energy		
• delivery pt	9331		054-015708-0	WC	300	Chieftain Int'l.		
WC 306 A		1,100	054-010572-0	WC	306	St. Mary's L&E	Texas Gas	<u>2/</u>
• receipt pt	9440		054-017786-0	WC	304	Unocal		
• delivery pt	9331							
subtotal		4,600						

Package Total: **13,750**

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Note 2/ Buyer must contract with lateral line operator for transportation and MMS will reimburse the buyer for the actual, reasonable lateral charge.

Offer Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 2
Exhibit A

MMS Contacts:

Karen Bigelow

303-231-3890

Mike DeBerard

303-231-3884

Fax No.:

303-231-3846

Blessing, TX (Texas 8g) - RIK Gas Sales

Delivery Point <u>2/</u>	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	Transportation
Tailgate of Matagorda Gas Plant	20,000	Base			- not applicable -
Tailgate of Matagorda Gas Plant	14,000	Swing			- not applicable -

1/ Baseload gas is offered at Inside FERC: Houston Ship Channel (large package)
Swing gas is offered at Gas Daily (Daily): East-Houston-Katy; Houston Ship Channel

2/ Pipe pigging requires small volumes be received on the Tomcat System, delivered at Matagorda Island Liquid Separation Plant (MILSP), near Port Lavaca, Texas. Pipelines located at MILSP are TETCO, Tejas, Midcon, Channel and HPL.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Blessing, TX (Texas 8g)

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March 2003/October 2003

Attachment 2

Exhibit B

Receipt Point	Daily <u>1/</u> Royalty Production (MMBtu)	Lease/Agre.	Area	Block	Operator
Tailgate of Matagorda gas plant	5,000	054-006032-0	MI	519	BP Energy
		054-005169-0	MI	518	BP Energy
Tailgate of Matagorda gas plant	28,000	754-398002-A	MI	622	BP Energy
Tailgate of Matagorda gas plant	1,000	054-006042-0	MI	633	Apache Corp.
		054-007202-0	MI	634	Apache Corp.
Package Total:	<u>34,000</u>				

Note 1/

Daily Production numbers are MMS' estimated share of production from the property.
Historical production and quality data available upon request.

Offer Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 3
Exhibit A

MMS Contacts:

Karen Bigelow	303-231-3890
Mike DeBerard	303-231-3884
Fax No.:	303-231-3846

Columbia Gulf; Bluewater Pipeline System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	Columbia Transportation <u>2/</u>
Columbia Gulf Trans. Co.	15,000	Base			- not applicable -
Columbia Gulf Trans. Co.	8,400	Swing			- not applicable -

1/ Baseload gas is offered at Inside FERC: CGT (LA)
Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; Columbia Gulf (La)

2/ MMS has contracted for transport on Columbia and will assign the contract to buyer.
Buyer will pay this contracted rate to Columbia and be reimbursed by MMS.

Bluewater Retrograde Condensate

Retrograde or drip condensates are recovered at the Cocodrie and Pecan Island Plants at onshore Bluewater locations and are allocable to our Bluewater properties. MMS reserves the right to recover this retrograde/drip condensate.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Columbia Gulf - Bluewater

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March 2003/October 2003

Attachment 3

Exhibit B

Receipt Point	Meter Number	Daily ^{1/} Royalty Production (MMBtu)	Lease/Agre.	Area	Block	Operator
EC 353 A	6600353	250	891-016147-0	EC	353	Amerada Hess
EC 369	4173	2,150	054-021585-0	EC	369	Westport
EI 224 A	6800224	4,400	054-005504-0	EI	224	BP Energy
EI 251 A	647	8,000	054-003331-0	EI	251	Newfield Expl. Co.
			054-007736-0	EI	262	Newfield Expl. Co.
EI 314 A	623	250	054-002111-0	EI	314	ExxonMobil
			891-016927-0	EI	330	ExxonMobil
			891-016928-0	EI	330	ExxonMobil
			891-016929-0	EI	330	ExxonMobil
EI 314 B	632	50	054-002111-0	EI	314	ExxonMobil
			891-016927-0	EI	330	ExxonMobil
			891-016928-0	EI	330	ExxonMobil
			891-016929-0	EI	330	ExxonMobil
EI 331 A	428	700	054-002116-0	EI	331	Shell Offshore Inc.
			891-016932-0	EI	330	Shell Offshore Inc.
			891-016933-0	EI	330	Shell Offshore Inc.
			891-016937-0	EI	330	Shell Offshore Inc.
			891-016941-0	EI	330	Shell Offshore Inc.
VR 156 A	691	1,750	054-002872-0	VR	155	Newfield Expl. Co.
			054-021597-0	VR	155	Newfield Expl. Co.
WC 599 A	4136	4,200	054-014348-0	WC	599	Samedan Oil Corp.
			054-012807-0	WC	600	Samedan Oil Corp.
			054-017815-0	WC	598	Samedan Oil Corp.
WC 630 A	639	550	054-002560-0	WC	630	Forest Oil Corp.
WC 643 A	629	1,100	054-002241-0	WC	643	ChevronTexaco Inc.
			054-002267-0	EC	371	ChevronTexaco Inc.
			891-013843-0	WC	643	ChevronTexaco Inc.
Package Total:		<u>23,400</u>				

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Offer Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 4
Exhibit A

MMS Contacts:

Karen Bigelow 303-231-3890
Mike DeBerard 303-231-3884
Fax No.: 303-231-3846

Central Texas Gathering System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	CTGS Transportation <u>3/</u>
PACKAGE 1 <u>2/</u>					
Central Texas Gathering System	9,000	Base			
Central Texas Gathering System	3,800	Swing			
PACKAGE 2 <u>2/</u>					
Central Texas Gathering System	9,000	Base			
Central Texas Gathering System	4,575	Swing			

- 1/ Preferred indexes are Tennessee or Transco and MMS will give preference to a "greater of" bid combining two or more of these indexes.
- 2/ Baseload gas is offered at Inside FERC: TGP (TX/Z0) or Transco (Z1)
Swing gas is offered at Gas Daily (Daily): South-Corpus Christi; Tennessee (Z0) or Transco (Z1)
- 3/ Quantify your transportation and fuel costs and specify if it is tariff-related.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Central Texas Gathering System
IFO No: MMS-RIK-2003-GOMR-001

Attachment 4
Exhibit B

Term: November 2002 - March 2003/October 2003

Receipt Point	TGP Meter Number	Transco Transfer Points Receipt	Transco Transfer Points Source	Royalty 1/ Production (MMBtu)	Lease/Agre.	Area	Block	Operator	Lateral Line
Package 1									
BA A 133 A	001231	89	89	see Note 2	054-002665-0	BA	A 133	GOM Shelf LLC	direct connect
BA A 133B	001206	9500	9500	10,000	054-002665-0	BA	A 133	GOM Shelf LLC	direct connect
BA A 70 A	001350	87	87	300	054-002663-0	BA	A 70	GOM Shelf LLC	direct connect
BA 494 A	001204	9996	9997	650	054-006071-0	BA	494	Apache Corp.	direct connect
BA 453 A	001519	7158	7158	350	754-389018-0	BA	453	Exxon Mobil	direct connect
BA 436 A/ BA 437 #7	001517	7207	7207	700	054-004258-0 *	BA	436	Energy Resources Tech	direct connect
BA 437 #2	001517	7208	7208	800	054-004258-0 * 054-012363-0 *	BA	436 452	Energy Resources Tech Energy Resources Tech	direct connect
Package 1 Total:				12,800	* New compressor due around Nov. 1, 2002				

Package 2									
BAA 7 A	001514	466	466	150	054-004558-0	BA	A 7	Pioneer Nat. Res.	direct connect
BAA 7 B	001505	466	466	200	054-004558-0	BA	A 7	Newfield Expl. Co.	direct connect
BAA 21 A/B	001440	3611	8073	275	054-008120-0	BA	A 21	Kerr McGee	Oryx
BAA 39 A	001506	476	476	100	054-004559-0	BA	A 39	Pioneer Nat. Res.	direct connect
BAA 52 A/C	000807	7874	626	250	754-392004-0	BA	A 52	Samedan Oil Corp.	direct connect
		7874	2702		054-006088-0	BA	A 66	Samedan Oil Corp.	
					054-006085-0	BA	A 52	Samedan Oil Corp.	
					054-006086-0	BA	A 53	Samedan Oil Corp.	
					054-007227-0	BA	A 37	Samedan Oil Corp.	
GA 395 A	001497	2704	7700	3,400	054-018921-0 054-022190-0	GA	418 417	William Helis Co William Helis Co	WFS
BA 105 A	001419	7084	3387	6,400	054-001757-0	BA	A 105	Unocal	direct connect
		7084	7084		054-001754-0	BA	A 102	Unocal	
GA 393 C	000548	9537	6801	200	054-014146-0	GA	420	Ocean Energy	direct connect
BA 439 A	001401	6741	667	175	054-011272-0	BA	439	Tri-Union Dev.	direct connect
BA 542 A	001408	6866	6865	900	054-012465-0 054-014812-0	BA	542 541	Unocal Unocal	direct connect
GAA 50 A	001503	7338	4142	125	054-012520-0	GA	A 50	El Paso Production	direct connect
BA 451 A	001327	7108	7108	1,400	054-003935-0 054-009021-0	BA	451 475	BP Energy Unocal	direct connect
Package 2 Total:				13,575					

Note 1/ Daily Production numbers are MMS' share of production from the property. Historical production and quality data available upon request.

Note 2/ Not currently producing. Field determination to be completed in Dec. 2002 and may come back on line during the term of the contract.

Offer Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 5
Exhibit A

MMS Contacts:

Karen Bigelow	303-231-3890
Mike DeBerard	303-231-3884
Fax No.:	303-231-3846

Garden Banks Area - RIK Gas Sales

Delivery Point <u>3/</u>	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	ANR & Garden Banks Transportation <u>2/</u>
ANR Pipeline/ Pelican Gas Plant	60,000	Base			- not applicable -
ANR Pipeline/ Pelican Gas Plant	22,000	Swing			- not applicable -

1/ Baseload gas is offered at Inside FERC: FGT (Z2) (preferred) or CGT (La)
Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; Columbia Gulf (La) or
Florida Gas (Z2)

2/ MMS has contracted for transport on the Garden Banks Gathering Pipeline and also on
ANR. MMS will assign these contracts to buyer. Buyer will pay the contracted
rates to ANR and Garden Banks Gathering and be reimbursed by MMS.

3/ Garden Banks gas must be delivered to ANR Pipeline and the Pelican Gas Plant.
Markets available at the tailgate of Pelican include Florida and Columbia.

Retrograde Condensate

Retrograde or drip condensates are recovered at either the Cocodrie and Pecan Island Plants on
the Bluewater Pipeline System or the Bayou Black Plant on Transco Pipeline.
MMS reserves the right to recover this retrograde/drip condensate.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Garden Banks Area

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March 2003/October 2003

Attachment 5

Exhibit B

Receipt Point	Garden Banks Gathering Pipeline Meter Number	ANR Meter Number	Royalty 1/ Production (MMBtu)	Lease/Agre.	Area	Block	Operator
VR 397 (Auger I) (Auger, Macaroni, Oregano, Serrano)	n/a	see Note 2	16,000	054-008252-0	GB	516	Shell Offshore Inc.
				054-011528-0	GB	472	Shell Offshore Inc.
				054-011553-0	GB	602	Shell Offshore Inc.
				754-389021-0	GB	426	Shell Offshore Inc.
				754-399009-A	GB	559	Shell Offshore Inc.

• Garden Banks Gathering Pipeline Nominated Properties

GB 128 (Auger II) (Auger, Macaroni, Oregano, Serrano)	992100	see Note 2	24,000	054-008252-0	GB	516	Shell Offshore Inc.
				054-011528-0	GB	472	Shell Offshore Inc.
				054-011553-0	GB	602	Shell Offshore Inc.
				754-389021-0	GB	426	Shell Offshore Inc.
				754-399009-A	GB	559	Shell Offshore Inc.
GB 128 (Cinnamon, Conger, Enchilada, Salsa)	992101	see Note 2	30,000	054-009216-0	GB	215	Amerada Hess
				054-014221-0	GB	172	Shell Offshore Inc.
				754-395001-A	GB	83	Shell Offshore Inc.
				754-395002-A	GB	128	Shell Offshore Inc.
				054-015540-0	GC	89	Apache
GB 260 (Baldpate)	992102	see Note 2	12,000	754-391010-A	GB	259	Amerada Hess

Package Total:

82,000

Note 1/ Daily Production numbers are MMS' share of production from the property. Historical production and quality data available upon request.

Note 2/ ANR meter numbers unavailable at this time but will be forwarded upon our receipt of the information.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 6
Exhibit A

MMS Contacts:

Karen Bigelow 303-231-3890
Mike DeBerard 303-231-3884
Fax No.: 303-231-3846

High Island Offshore System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	HIOS Transportation <u>3/</u>
PACKAGE 1 <u>1/</u>					
High Island Offshore System	20,000	Base			
High Island Offshore System	13,440	Swing			
PACKAGE 2 <u>2/</u>					
High Island Offshore System	10,000	Base			
High Island Offshore System	4,310	Swing			

- 1/ Baseload gas is offered at Inside FERC: ANR (La), FGT (Z1), NGPL (La), TGP (800), or Henry Hub
Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; ANR (La), Florida Gas (Z1),
NGPL (La), Tennessee La. 800 Leg, or Henry Hub
- 2/ Baseload gas is offered at Inside FERC: ANR (La)
Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; ANR (La)
- 3/ Quantify your transportation and fuel costs and specify if it is tariff-related.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

HIOS (High Island Offshore System)

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March/October 2003

Attachment 6

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area	Block	Operator	Lateral Line
Package 1							
EB 110 A	110EB	3,000	054-002650-0	EB	110	Panaco, Inc.	
			054-002649-0	EB	109	Panaco, Inc.	
			754-391005-0	EB	112	Agip Petroleum Co.	
EB 160 A	160EB	13,000	054-002647-0	EB	160	Unocal	
			054-002645-0	EB	158	Unocal	
			054-002646-0	EB	159	Unocal	
			054-002648-0	EB	161	Unocal	
			054-014204-0	EB	117	BP Energy	
			054-017227-0	EB	114	Unocal	
			054-017237-0	EB	205	Unocal	
EB 165 A	165EB	800	754-388012-0	EB	165	Panaco, Inc.	
			054-017232-0	EB	164	Forest Oil Corp.	
HIA 244 A	244HA	350	054-006214-0	HI	A 231	Samedan Oil Corp.	
			054-009423-0	WC	445	Samedan Oil Corp.	
			054-021353-0	HI	A 232	Samedan Oil Corp.	
HIA 263 B	263HA	480	054-013342-0	HI	A 263	El Paso Production	
			054-008187-0	HI	A 272	El Paso Production	
			054-015805-0	HI	A 264	El Paso Production	
HIA 270 A	270HA	460	054-002724-0	HI	A 270	NCX Company, Inc.	
			054-002723-0	HI	A 269	NCX Company, Inc.	
			054-003377-0	HI	A 281	Samedan Oil Corp.	
HIA 283 A	283HA	270	054-002404-0	HI	A 283	Transworld	
HIA 340 A	340HA	3,500	054-002426-0	HI	A 340	Merritt Energy	
			054-002739-0	HI	A 339	Merritt Energy	
HIA 350 A	350HA	1,400	054-002428-0	HI	A 350	Shell Offshore Inc.	Transco 2/
			054-002238-0	WC	633	Shell Offshore Inc.	
HIA 376 A	376HA	220	054-002754-0	HI	A 376	Anadarko Petroleum	
			054-002750-0	HI	A 365	Anadarko Petroleum	
HIA 376 B	376BHA	450	054-002754-0	HI	A 376	Anadarko Petroleum	
HIA 416 A	416HA	830	054-015794-0	HI	A 416	Unocal	
			054-015793-0	HI	A 415	Unocal	
			054-018946-0	HI	A 153	Unocal	
HIA 467 A	467HA	800	054-002688-0	HI	A 467	Forest Oil Corp.	
			054-003242-0	HI	A 466	Forest Oil Corp.	
			054-017181-0	HI	A 470	Forest Oil Corp.	
			054-020670-0	HI	A 468	Forest Oil Corp.	
HIA 471 A	471HA	350	054-002690-0	HI	A 471	Newfield Expl. Co.	Transco 2/
HIA 523 A	523HA	830	054-011390-0	HI	A 523	El Paso Production	Seacrest Co. 2/
HIA 536 C	536HA	200	054-002697-0	HI	A 536	Newfield Expl. Co.	Texas Gas 2/
HIA 536 C	531HA	370	054-002696-0	HI	A 531	Newfield Expl. Co.	Texas Gas 2/

Property Listing

HIOS (High Island Offshore System)

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March/October 2003

Attachment 6

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area	Block	Operator	Lateral Line	
HIA 547 B	547HA	3,500	054-002705-0	HI	A 547	Samedan Oil Corp.		
			054-002716-0	HI	A 568	Samedan Oil Corp.		
			054-017199-0	HI	A 545	Shell Offshore Inc.		
HIA 550 A	550HA	530	054-004081-0	HI	A 550	Samedan Oil Corp.	TETCO	2/
HIA 557 A	557HA	900	054-003484-0	HI	A 557	Amerada Hess		
			054-006238-0	HI	A 556	Amerada Hess		
HIA 568 A	568HA	1,200	054-002716-0	HI	A 568	Samedan Oil Corp.	Transco	2/
Package 1 Total:		33,440						
Package 2								
HIA 309 A	309HA	360	054-002735-0	HI	A 309	El Paso Production		
HIA 317 A	317HA	800	054-002412-0	HI	A 317	El Paso Production		
			054-002733-0	HI	A 303	Newfield Expl. Co.		
			054-017209-0	HI	A 304	Newfield Expl. Co.		
HIA 334 A	334HA	700	054-002423-0	HI	A 334	Unocal		
			054-002738-0	HI	A 334	Unocal		
HIA 356 A	356HA	450	054-002746-0	HI	A 356	Pogo Producing Co.		
HIA 370 A	370HA	600	054-002434-0	HI	A 370	Kerr-McGee O&G	Transco	2/
			054-002751-0	HI	A 369	Kerr-McGee O&G		
HIA 469 A	469HA	1,000	054-002689-0	HI	A 469	Unocal		
			054-003244-0	HI	A 494	Petroquest Energy		
HIA 552 A	552HA	200	054-003949-0	HI	552	Forest Oil Corp.		
			054-003757-0	HI	551	Forest Oil Corp.		
			054-006237-0	HI	553	Mission Resources		
HIA 561 A	561HA	1,200	054-002712-0	HI	A 561	Newfield Expl. Co.	Transco	2/
			054-014152-0	GA	A 218	Walter O&G Corp.		
HIA 563 B	563HA	1,200	054-002388-0	HI	A 563	ChevronTexaco Inc.		
			054-002384-0	HI	A 555	ChevronTexaco Inc.		
HIA 571 A	571HA	3,000	054-002391-0	HI	A 571	Dominion		
HIA 573 B	573HA	1,800	054-002393-0	HI	A 573	Unocal		
			054-002392-0	HI	A 572	Unocal		
			754-390002-0	HI	571A	Unocal		
HIA 582 C	582CHA	1,800	054-002719-0	HI	A 582	ChevronTexaco Inc.		
			054-002388-0	HI	A 563	ChevronTexaco Inc.		
			054-018959-0	HI	A 581	ChevronTexaco Inc.		
HIA 595 CF	595HA	1,200	054-002721-0	HI	A 595	Unocal		
			054-002722-0	HI	A 596	Unocal		
Package 2 Total:		14,310						

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Note 2/ Buyer must contract with lateral line operator for transportation and MMS will reimburse the buyer for the actual, reasonable lateral charge.

Offer Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 7
Exhibit A

MMS Contacts:

Karen Bigelow 303-231-3890
Mike DeBerard 303-231-3884
Fax No.: 303-231-3846

Matagorda Offshore Pipeline System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	MOPS Transportation <u>2/</u>
Entry in NNG Line Offshore MOPS System	13,000	Base			- not applicable -
Entry in NNG Line Offshore MOPS System	4,625	Swing			- not applicable -

1/ Baseload gas is offered at Inside FERC: FGT (Z1) or Houston Ship Channel (large package)
Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; Florida Gas (Z1) or
East-Houston-Katy; Houston Ship Channel

2/ MMS has contracted transport on MOPS with NNG and will assign contract to buyer.
Buyer will pay this contracted rate to NNG and be reimbursed by MMS.

- Recognizing that MOPS has access to both interstate and intrastate markets, MMS will also give preference to bids with a "greater of" clause that includes an interstate and intrastate index.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

MOPS (Matagorda Offshore Pipeline System)

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March 2003/October 2003

Attachment 7

Exhibit B

NNG Receipt Point		Daily ^{1/} Royalty Production	Lease/Agre.	Area	Block	Operator
Location	POI #	(MMBtu)				
MI 631/658	62309	275	054-014792-0	MI	631	LLOG Exploration
MI 632	25035	1,800	054-003091-0	MI	632	ExxonMobil
			054-003096-0	MI	656	ExxonMobil
			054-004139-0	MI	657	ExxonMobil
MI 681	17925	1,550	054-004703-0	MI	681	Apache Corp.
			054-005171-0	MI	682	Apache Corp.
MI 686	452	560	054-003465-0	MI	686	GOM Shelf LLC
			054-004548-0	MI	685	GOM Shelf LLC
MI 687/699	9898	375	054-006052-0	MI	687	Maritech Resources
			054-008548-0	MI	688	Energy Resource Tech.
MI 696/665	25321	200	054-004704-0	MI	696	Amerada Hess
MI 700/713	327	1,325	054-003108-0	MI	700	GOM Shelf LLC
MI 703	17926	3,575	054-003733-0	MI	703	BP Energy
			054-013290-0	MI	683A	Apache Corp.
			054-013295-0	MI	709	ATP Oil & Gas Corp.
MU 739/740	3364	250	054-004064-0	MU	739	El Paso Production
			054-005980-0	MU	740	El Paso Production
MU 757/762	2410	1,125	054-003019-0	MU	757	BP Energy
			054-003021-0	MU	762	BP Energy
			054-003022-0	MU	763	BP Energy
MU 758	1226	2,100	054-005996-0	MU	784	EOG Resources Inc.
MU 759/738	62310	700	054-014103-0	MU	759	EOG Resources Inc.
MU 782/785	58129	650	054-010147-0	MU	782	Agip Petroleum Co.
			054-008975-0	MU	785	Houston Expl. Co.
MU 787/805	60550	2,865	754-394002-0	MU	805	BP Energy
			054-010152-0	MU	806	BP Energy
			054-015704-0	MU	788	BP Energy
MU 809	37388	275	054-003011-0	MU	A 16	GOM Shelf LLC
Package Total:		<u>17,625</u>				

Note ^{1/} Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Offer Sheet

Minerals Management Service
IFO No: MMS-RIK-2003-GOMR-001

Attachment 8
Exhibit A

MMS Contacts:

Karen Bigelow	303-231-3890
Mike DeBerard	303-231-3884
Fax No.:	303-231-3846

North High Island System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation <u>1/</u>	Nov 02 - Mar 03 Term Bid	Nov 02 - Oct 03 Year Bid	Transco Transportation <u>2/</u>
North High Island System	37,800	Swing			

1/ Swing gas is offered at Gas Daily (Daily): Louisiana-Onshore South; Transco (Z3)

2/ Quantify your transportation and fuel costs and specify if it is tariff-related. **Gas must be transported from the offshore receipt points identified in Exhibit B to Transco (Z3).**

Your Name

Phone Number

Company Name

Fax Number

Property Listing

NHIS (North High Island System)

IFO No: MMS-RIK-2003-GOMR-001

Term: November 2002 - March 2003/October 2003

Attachment 8

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area	Block	Operator
GA 239 A	1608-1	1,000	054-009032-0	GA	239	Walter O&G Corp.
			054-015742-0	GA	225	Walter O&G Corp.
HI 110 A	1278	1,200	054-002353-0	HI	110	W & T Offshore Inc.
			054-002354-0	HI	111	W & T Offshore Inc.
HI 140 A	1346	950	055-000518-0	HI	140	Devon Energy
HI 176 A	1522	2,500	054-006164-0	HI	176	ExxonMobil
			054-006168-0	HI	196	ExxonMobil
			054-006167-0	HI	195	Apache Corp.
HI 177 A	1545	10,750	054-006165-0	HI	177	W & T Offshore Inc.
HI 179 A	1391	13,000	754-388006-0	HI	179	Shell Offshore Inc.
			054-006166-0	HI	194	Shell Offshore Inc.
			054-003237-0	HI	193	ExxonMobil
			054-003229-0	GA	192	ExxonMobil
			054-006093-0	GA	209	ExxonMobil
HI 195 A	4087	4,250	054-006167-0	HI	195	Apache Corp.
HI 207 A	1609	2,700	054-008151-0	HI	207	EOG Resources Inc.
			054-007286-0	HI	208	El Paso Production
HIA 21 A	1582	1,450	054-011365-0	HI	A 21	Walter O&G Corp.
			054-006180-0	HI	A 22	Walter O&G Corp.
Package Total:		37,800				

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.